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THE CIA IN TRANSITION

Casey Enforces 'Reagan Doctrine' With Reinvigorated Covert Action

First in an occasional series

By Patrick E. Tyler and David B. Ottaway
Washington Post Staff Writers

Joao Baptiste, a foot soldier in the Angolan rebel army of Jonas Savimbi, watched in horror one day last August as a Soviet T62 tank broke through the dense bush in eastern Angola, firing at his fellow guerrillas and crushing one of them beneath its clanking treads.

Armed only with an automatic rifle and a grenade, Baptiste scrambled up the side of the tank, yanked the turret lid up and dropped the grenade into the hatch, according to accounts later told and retold in Washington. The explosion stopped the tank's attack on the lightly armed soldiers in Battalion 07 of Savimbi's guerrilla army, which has been fighting the Soviet-armed Marxist regime for a decade.

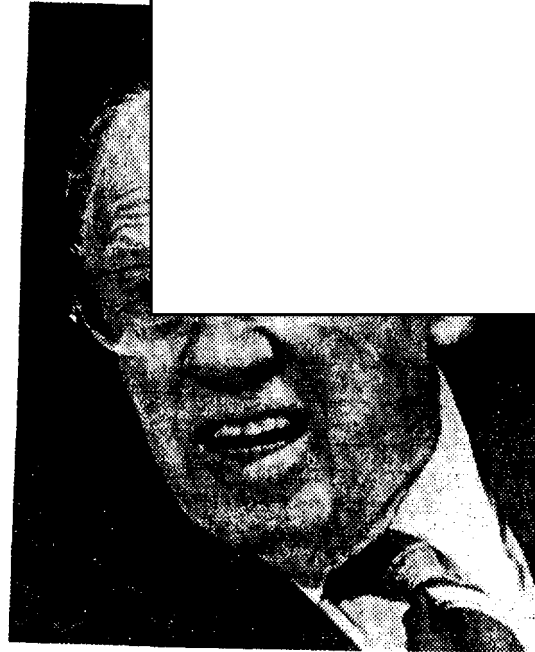
Such tales of heroic "freedom fighters" pitted against vastly superior Soviet weapons—the Rambo archetype in the Angolan bush—have captured the imagination of President Reagan and provided the administration with an emblem for a new direction in U.S. foreign policy that conservatives have begun calling "the Reagan doctrine."

It is a doctrine that seeks to roll back Soviet and Cuban gains in the Third World by supporting anticommunist insurgencies. To translate theory into practice, the administration has turned to a Central Intelligence Agency reinvigorated and greatly expanded under the activist leadership of William J. Casey.

The former international banker and lawyer has unsurpassed stature among senior Cabinet members, making him perhaps the most influential CIA director since Allen W. Dulles in the 1950s in shaping American foreign policy. Casey has used that influence and his own enthusiasm for covert operations to expand CIA paramilitary involvement in Nicaragua, Afghanistan, Cambodia and now Angola.

The resignation last week of CIA Deputy Director John N. McMahon, who reportedly was wary of American entanglements in the Third World, appears to have removed one of the principal brakes in the agency against such growing operations.

Since Reagan took office in 1981, Casey has rebuilt the CIA into a lethal and controversial instrument for carrying out covert operations. The agency's annual budget for secret missions far exceeds \$500 million, far higher than at any time since the Vietnam war.



BY RICH LIPSKI—THE WASHINGTON POST

William J. Casey: influential with foreign policy.

The administration's request for \$70 million to underwrite the rebels fighting the Sandinista government of Nicaragua would push the sum even higher.

In recent months, the administration has established a secret interagency committee to oversee the increasingly complex patchwork of covert operations. Although formally nameless, the group meets in Room 208 of the Old Executive Office Building and sometimes refers to itself as the "208 Committee." Its members are the micromanagers of America's new secret diplomacy, supervisors of a widening array of local conflicts around the globe where American and Soviet interests collide.

These brush-fire wars—known as low-intensity conflicts in military jargon—have come to dominate Reagan's foreign policy agenda in his second term. Some officials believe that they will be the main battleground of East-West rivalry for years.

Reagan's interagency group resembles in many respects the legendary "40 Committee" established in the Nixon administration to manage an earlier set of secret wars in the 1970s. The 208 Committee meets periodically to determine which weapons will be shipped, which secret warehouse goods used, which middlemen will deliver

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CIA's McMahon Denies He Quits Over Policies

United Press International

Deputy CIA Director John N. McMahon denied yesterday that his resignation stems from disagreements with administration policy.

McMahon, whose resignation was announced Monday by the White House, issued a statement denouncing speculation that his decision to leave was "an expression of discontent with the president's policies."

"I have been dismayed and angered by the reaction of those in the press and special interest groups who have sought to interpret my retirement from the CIA as an expression of discontent," McMahon said.

"Nothing could be further from the truth."

His statement did not identify any reported areas of disagreements to which he objected, but news reports, including an account in The Washington Post, said McMahon had been at odds with the administration over expanded covert paramilitary operations in the Third World, including shipments of arms to Afghanistan.

"To set the record straight," his statement said, "I support the president's policy in Afghanistan, Nicaragua and the Third World at large and execute his directives to the fullest extent."

McMahon, 56, who joined the CIA 34 years ago, said he had never before found it necessary to defend himself publicly, but he said: "I must draw the line when these uninformed and erroneous reports provide fodder—as they indeed already have—for propagandists in the Sandinista press in Nicaragua to seek to denigrate our policy."

In his letter of resignation, McMahon said he was quitting for "personal reasons" and that he had reached the point where he should "move on."

McMahon's resignation becomes effective March 29. He will be replaced by Robert Gates, 42, now the deputy director for intelligence.

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IN THE
NATION

WASHINGTON

**Reports on resignation
anger ex-CIA official**

John N. McMahon, the CIA's deputy director, said yesterday he was "dismayed and angered" by reports that his resignation stemmed from discontent with President Reagan's policies.

In an unusual statement released by the CIA, Mr. McMahon said he generally believed intelligence officials should respond to "inaccuracies through the oversight process and not by making personal public statements."

But, he added, "I must draw the line when these uninformed and erroneous reports provide fodder — as they indeed already have — for propagandists in the Sandinista press in Nicaragua and others abroad who seek to denigrate this administration and its policies."

Mr. McMahon said, "I support the president's policies in Afghanistan, Nicaragua and the Third World at large and execute his directives to the fullest extent."